

RICHMOND, VA E-NEWSLETTER

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You have subscribed to the Newsletter List of the Richmond, Virginia District Office of the U.S. Small Business Administration. Information provided to you via this newsletter may include general information regarding our Agency and its programs. It will focus primarily on events in the Richmond District Office territory, consisting of all of Virginia, except the counties of Arlington, Fairfax and Loudoun, and cities of Alexandria, Fairfax and Falls Church. If you would like specific information related to the SBA office in your area, please visit our [Local Resources page](#) and click on the state in which your business resides or will reside.

Helping small businesses
start, grow and succeed.



Your Small Business Resource

SBA Recovery Lending Extended Through May 31, 2010

President Barack Obama has signed legislation providing \$80 million in additional funding to continue important enhancements in the U.S. Small Business Administration's two key small business loan programs. The enhancements, first made available under the American Recovery and Reinvestment Act, include a higher guarantee on some SBA-backed loans and small business fee relief.

The SBA estimates the \$80 million will support about \$2.8 billion in small business lending under the 7(a) and 504 programs.

"Small businesses across the country have been able to secure critical financing as a result of the Recovery Act loan provisions and the continued interim funding we've received for the program," said SBA Administrator Karen Mills. "The increased guarantees and reduced fees on SBA loans have generated more than \$25 billion in new loans to small business owners and brought more than 1,200 lenders back to SBA loan programs. In fact, the first two quarters of the current fiscal year have been our best two opening quarters ever for the 7(a) program, with more than \$7 billion in guaranteed loans. These programs have been successful in helping jump-start our economy, which is why we will continue to work with Congress on a longer term extension of the increased guarantee and reduced fees."

As part of the Recovery Act enacted on Feb. 17, 2009, SBA received \$730 million to help small businesses, including \$375 million to increase the SBA guarantee on 7(a) loans to 90 percent and to reduce borrower fees on most 7(a) and 504 loans. The funds for these programs were exhausted on Nov. 23, 2009, and an additional \$125 million was provided in December. Those funds were exhausted in late February, 2010, and an additional \$60 million was provided subsequently. SBA was authorized for an additional \$40 million in late March.

Under the new extension SBA may continue to reduce loan fees in its 7(a) and 504 programs and to provide higher guarantee levels on 7(a) loans through May 2010, or until the funds provided under the bill are exhausted.

This extension has no effect on the continued availability of financing under other SBA Recovery Act programs, including SBA's America's Recovery Capital (ARC) loan program and the agency's Microloan program. Recovery Act funding still remains available for both of those programs.

2010 Virginia Small Business Award Winners



John D. Fernandez, President and CEO of Daystar Desserts LLC has been selected as Virginia's Small Business Person of the Year 2010 by the Small Business Administration.

John and a former partner formed Daystar Desserts in 1998, combining their talents in an effort to create brilliant desserts of the utmost quality accompanied by outstanding service to the customer. They started by baking these desserts in John's mother's kitchen on Long Island using freezers in her garage to store their product. At times working 36 hours straight, they did everything from baking to selling and even hand-delivering their creations. Thanks to their hard work and dedication the business grew to become one of the most respected upscale dessert suppliers in the nation. In 2004 Daystar Desserts acquired World's Best Cheesecake in Ashland, Virginia, becoming one company with a great variety and plenty of production capacity.

In the past three years Daystar has gone from delivering products to six states to delivering to 38 states, tripling their work force in the process. As a result of the downturn in the economy, Daystar launched a new, smaller-sized cheesecake product line at a lower price with a more "home-style" look to them. This created a shift for their consumers. Instead of feeling guilty about buying a "fancy" dessert, they viewed the desserts as an inexpensive indulgence or a "comfort food" during a time of high anxiety. This innovative thinking won Daystar one of the largest cheesecake contracts in the nation.

Other 2010 Virginia award winners include:

FINANCIAL SERVICES CHAMPION OF THE YEAR

Melissa L. Burroughs, Executive Vice President
Old Point National Bank
Hampton, Va.

VIRGINIA MINORITY SMALL BUSINESS CHAMPION OF THE YEAR

Oliver Singleton, President
The Metropolitan Business League
Richmond, Va.

VETERANS SMALL BUSINESS CHAMPION OF THE YEAR

Edward R. "Ed" Tillett
Longwood Small Business Development Center
Danville, Va.

VIRGINIA AND REGION III SMALL BUSINESS DEVELOPMENT CENTER SERVICE EXCELLENCE AND INNOVATION CENTER AWARD

James G. Tilley, III, Director
Virginia Highlands Community College Small Business Development Center
Abingdon, Va.

VIRGINIA YOUNG ENTREPRENEUR OF THE YEAR

Tommie Jefferson, Owner
A-Metropolitan Driving School, LLC
Richmond, Va.

The Virginia Small Business Awards Luncheon will be held on June 3, 2010 at The Jefferson Hotel beginning at noon. For more information, please contact Peggy FaJohn at (804) 771-2400, ext. 126 or at margaret.fajohn@sba.gov.

Regulatory Fairness Forum for Small Business—May 18, 2010, Glen Allen, VA

WHO: SBA National Ombudsman Esther H. Vassar, members of the Regional Regulatory Fairness Board and representatives of Federal regulatory agencies will hear concerns, comments and complaints about Federal regulatory enforcement and compliance. **Small business owners, representatives of community organizations and trade associations, are invited to testify about compliance and enforcement of regulations by Federal agencies.**

WHAT: To create a more cooperative regulatory environment among Federal agencies and small businesses, Congress has directed the SBA and the National Ombudsman to hold Regulatory Fairness hearings. Concerns and complaints received at this forum will be directed to the appropriate Federal regulatory agency for a higher-level review and consideration.

WHERE: Virginia Housing Development Authority
Virginia Housing Center, 4224 Cox Road, Glen Allen, VA 23060-3318

WHEN: Tuesday, May 18, 2010
Registration: 9:30 a.m. – 10:00 a.m.;
Hearing: 10:00 a.m. to Noon

Small business owners may testify during the hearing by registering in advance; seating is limited, therefore, you need to register to confirm attendance. Register by calling James Williams at (804) 771-2400, Ext. 123, or send an e-mail to james.williams@sba.gov. Testimony may be submitted in writing in advance or at the hearing. Concerned business owners may fill out the SBA Form 1993, Agency Comment Form and email the completed form with their comments to James Williams at the address above, or fax the form to (202) 481-2326. You will be contacted regarding your testimony. Anyone desiring confidentiality may request that his or her name not be released and may submit written testimony in lieu of a public appearance at the hearing.

For additional information, visit the Office of the National Ombudsman's website at www.sba.gov/ombudsman, or call José Méndez at (202) 205-6178.

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis. Reasonable arrangements for persons with disabilities will be made, if requested at least 2 weeks in advance. Contact: James Williams at (804)771-2400 Ext. 123.

American Bankers Association provides Tips for Small Business owners

The American Bankers Association recently released a series of white papers intended to assist small business owners in navigating the new banking environment. The papers, written through the viewpoint of a former commercial banker, give small business owners a rare glimpse into how bankers think and are intended to help them develop a mutually beneficial relationship with a bank, prepare to get loans, and evaluate offers. Seven papers were prepared:

- Five Tips to Increase Your Firm's Chance of Getting a Small Business Bank Loan
- Tips for Small Business Owners: Surviving Today's Financial Crisis
- Demystifying The Small Business Loan Decision
- How to Select and Use Small Business Credit Cards
- Assessing Your Banking Relationship: Seven Key Questions
- Assessing The Bank Loan Offer
- FDIC Insurance Coverage: Seven Tips Small Business Owners Need to Know

This series can be viewed by visiting http://www.aba.com/Press%20Room/PR_Small_Business_Issue.htm and then scrolling down to the "White Papers" section.

Two New Tax Benefits Aid Employers Who Hire and Retain Unemployed Workers

Two new tax benefits are now available to employers hiring workers who were previously unemployed or only working part time. These provisions are part of the Hiring Incentives to Restore Employment (HIRE) Act enacted into law today.

Employers who hire unemployed workers this year (after Feb. 3, 2010 and before Jan. 1, 2011) may qualify for a 6.2-percent payroll tax incentive, in effect exempting them from their share of Social Security taxes on wages paid to these workers after March 18, 2010. This reduced tax withholding will have no effect on the employee's future Social Security benefits, and employers would still need to withhold the employee's 6.2-percent share of Social Security taxes, as well as income taxes. The employer and employee's shares of Medicare taxes would also still apply to these wages.

In addition, for each worker retained for at least a year, businesses may claim an additional general business tax credit, up to \$1,000 per worker, when they file their 2011 income tax returns.

"These tax breaks offer a much-needed boost to employers willing to expand their payrolls, and businesses and non-profits should keep these benefits in mind as they plan for the year ahead," said IRS Commissioner Doug Shulman.

The two tax benefits are especially helpful to employers who are adding positions to their payrolls. New hires filling existing positions also qualify but only if the workers they are replacing left voluntarily or for cause. Family members and other relatives do not qualify.

In addition, the new law requires that the employer get a statement from each eligible new hire certifying that he or she was unemployed during the 60 days before beginning work or, alternatively, worked fewer than a total of 40 hours for someone else during the 60-day period. The IRS is currently developing a form employees can use to make the required statement.

Businesses, agricultural employers, tax-exempt organizations and public colleges and universities all qualify to claim the payroll tax benefit for eligible newly-hired employees. Household employers cannot claim this new tax benefit.

Employers claim the payroll tax benefit on the federal employment tax return they file, usually quarterly, with the IRS. Eligible employers will be able to claim the new tax incentive on their revised employment tax form for the second quarter of 2010. Revised forms and further details on these two new tax provisions will be posted on [IRS.gov](http://www.irs.gov) during the next few weeks.

HAVE A QUESTION?

EMAIL YOUR QUESTIONS:
Our local email address is richmond.va@sba.gov. If you are a small business owner or prospective owner located in our territory of Virginia (see page 1), please contact us if you have questions about any of our services, starting a business, or obtaining business financing.



UPCOMING EVENTS

CALENDAR OF EVENTS:
Be sure to visit our Calendar of Events area for workshops of interest to small business owners in Virginia. To get to the Calendar, go to our website (<http://www.sba.gov/va/>) and click on "Events Calendar" on the right-hand menu listing.

SHARE THIS NEWSLETTER WITH A FRIEND – Do you know a fellow small business owner who would benefit from the **Richmond, VA SBA Newsletter**? If so, forward it to them or direct them to the registration page at <http://web.sba.gov/list/> (scroll down and click on the box next to Richmond, VA Newsletter).

NEW SUBSCRIBERS – For those who have just joined the Newsletter list, be sure to read earlier newsletters in our [Archives](#).